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C O N F I D E N T I A L SECTION 01 OF 02 SINGAPORE 003110

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TAGS: PGOV PREL PHUM FINR ECON SN

SUBJECT: LEE KUAN YEW: MINISTER AND PATRIARCH

REF: A. SINGAPORE 1486

1B. SINGAPORE 109

Classified By: EP Counselor Ike Reed. Reasons 1.4 (b)(d)

11. (C) Summary: Minister Mentor Lee Kuan Yew's October 9-23 visit to the United States will be an opportunity for him to discuss with senior USG officials the broad strategic developments that affect Singapore's future, notably the rise of China and India. The reemergence of these two powers on the world stage will profoundly affect the political and economic dynamics in Southeast Asia over the next several decades, in Lee's view. He will argue that a robust United States presence in Southeast Asia will continue to be critical to ensure regional peace and prosperity during this dynamic period. He also believes the United States must succeed in Iraq to win the broader war on terror. Lee's keen strategic vision and wealth of personal contacts remain assets to Singapore. However, his continued overshadowing of his son, Prime Minister Lee Hsien Loong, acts as a brake on political modernization and his cantankerous scolding of younger Singaporeans increasingly makes him look out of step. Lee's eventual passing will not likely be a catalyst for radical political change, but it will certainly be indispensable to any significant political reform. End Summary.

Emphasis on Strategy, Not Tactics

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12. (C) The founding father of modern Singapore, Minister Mentor Lee Kuan Yew (LKY), will visit the United States from October 9-23. LKY has dominated the political scene for decades, serving as Prime Minister from 1959-1990, Senior Minister from 1990-2004, and Minister Mentor since 2004. Today, the 83-year-old Lee devotes his time and energy to examining the broad strategic developments that affect Singapore's future, notably the rise of China and India. These are the themes he will discuss during his meetings with the President, the Vice President, the Secretary, the Secretary of Defense, and other senior USG officials and

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business leaders.

13. (C) LKY is still a tremendous asset for Singapore. His keen strategic vision has guided Singapore's economic rise and ensured its political stability in a difficult region. It has been almost 16 years since he was PM and he has pulled back from day-to-day policy making. At times, however, he will jump into an issue that concerns him, and remind Singaporeans that his opinion matters above all others. He has inculcated his vision in succeeding generations of

leaders so his beliefs and style will continue to guide Singapore for years. LKY is also an asset for the United States, seeing eye to eye with us on many of the key strategic issues and challenges in Southeast Asia and the greater region.

China and India

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¶4. (C) The reemergence of China and India on the world stage will profoundly affect the political and economic dynamics in Southeast Asia over the next several decades, in LKY's view. He believes that the current leadership in China is committed to economic growth and wants to avoid any external conflicts (especially with the United States) that could interrupt China's development. He is less sanguine about future generations of leaders, who will have grown up in a more affluent and nationalistic society. With its fits and starts in economic reform, India has "disappointed" LKY in the past.

Galvanized by China's growing economic juggernaut, LKY believes India is now committed to making the economic changes it has needed for decades and he expects it to develop almost as rapidly as China.

Shared Concerns on Terrorism

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¶5. (C) LKY is deeply worried about terrorism, as both a global problem and a direct threat to the well-being of Singapore. He has told visitors that the current wave of Islamic terrorism will ebb, as long as the terrorists don't win now in Iraq (Ref B). If the United States fails in Iraq, it will spark a surge of terrorism around the world and "I'll have Jemaah Islamiyah chaps coming from Indonesia to blow me up." LKY is also concerned about the influence of Middle

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East-style Islam on traditionally moderate Muslims in Southeast Asia and its potential to make them intolerant and radical. In the long-term, this more radical type of Islam could pose a threat to secular authority in Indonesia and Malaysia, in his view.

Welcoming the United States, but not our politics

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¶6. (C) A robust United States presence in Southeast Asia continues to be critical for regional peace and prosperity, LKY will argue. During the Cold War, the United States gave the emerging, fragile states of the region time to develop, and U.S. engagement remains essential to balance the rise of China and India. He is always concerned that the United States will withdraw from the region, either by turning its attention elsewhere or by turning inwards.

¶7. (C) LKY openly admires the dynamism of the United States economy, but is no fan of our political system and its vibrant press and stiff competition. He remains unapologetic about the tough, authoritarian tactics he has used against his opponents and critics. He continues to use defamation suits to isolate, bankrupt and drive from politics his domestic opponents and to intimidate the foreign press. This year, he has continued to wield the defamation stick against opposition politician Chee Soon Juan. Even while Singapore was at the center of world media attention during the IMF/World Bank meetings, local press reported his latest law suit against the Far Eastern Economic Review.

Leader for Life

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¶8. (C) Lee Kuan Yew remains active and travels frequently. In the last year, he has made eight foreign trips -- to Europe, North East Asia, and the Middle East. At the same time, he paces himself and doesn't take on too many commitments. Mentally, he is as sharp as ever. He can

integrate the latest headlines with events over the past five decades to form the basis for his analysis of political and economic developments. LKY remains a valuable asset for Singapore. He has a wealth of personal contacts that few, including Prime Minister Lee Hsien Loong, can rival. Many a senior visitor comes to Singapore just to hear LKY impart his geostrategic wisdom.

¶9. (C) On the home front, LKY's mere presence helps keep the ruling People' Action Party (PAP) highly disciplined and effective. LKY's continued prominence comes at a cost to his son's image and to the ability of the Singaporean political system to adapt and reform, however. In his two years as PM, Lee Hsien Loong has reversed only one significant policy of his father's -- the ban on casinos. In a calculated move to boost Singapore's tourism sector and demonstrate his independence from his father, PM Lee authorized casinos in ¶2005. LKY acquiesced to the change. But this is the exception, not the rule. Singapore's younger leaders do not readily put forward ideas that LKY is not likely to support. Some political observers, not friendly to the PAP, told us they actually felt sorry for PM Lee since he can not be his own man as long as his father is on the scene.

¶10. (C) The May general election offered LKY the perfect opportunity to step down gracefully from half a century on the political stage and allow his son to win his own mandate. He didn't take it (Ref A). LKY became an electoral liability, overshadowing PM Lee, and coming across as a cantankerous old man eager to scold an ungrateful and spoiled younger generation and out of step with contemporary Singapore. He has even said he would run again in the next election, due five years from now. Most Singaporeans are grateful for the security and prosperity that LKY's five decades of leadership have brought and are comforted by his presence. But many also seem ready for a less patronizing government. LKY's eventual passing will not likely be a catalyst for radical political change, as so much of Singapore's leadership and citizenry have been molded by his values. But it will certainly be indispensable to any significant political reform.

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